

AMERADA HESS CORPORATION

CHARLES V.M. ISZARD
908-750-6144

1 HESS PLAZA
WOODBRIDGE, NJ 07095-0081

February 24, 1997

**Mr. Butch Oengderff
R.J. Reynolds Tobacco Company
Reynolds Building #10801
401 North Main
Winston-Salem, NC 27102**

Dear Butch:

Thank you for taking time out of your busy schedule on Thursday to discuss our new concept. Attached please find the blue print for the new Hess Concept Store.

Your Ideas and involvement in the design our "Gold Ring Tobacco" area is very important to us. As we discussed, we need to design a cashiers counter that merchandises cigarette packs and cartons to the customer and is easy to manage.

Our internal goal is to reach about 300-400 CPW in the new format store. Obviously, we need to design the counter and storage to facilitate the operational side of the business. For example, without overhead racks, can we realistically stock enough bands to service our customers quickly? How will cartons be stored to maximize pack out and still utilize the actual carton for advertising? How will be communicate Pricing and V.A.P.S.?

And last, this design will take Hess beyond the year 2000 and needs to be easily converted to any new regulations in regards to non self service displays and P.O.S.

As you can imagine, our timetable is very short due to construction dates. Please provide your comments and drawings as they become available. I would like to have a good understanding of your concepts no later than March 10th.

Again, I appreciate your help designing our new concept store.

Should you have any questions, please feel free to call me at (908) 750-6144.

Regards,

Charlie

CHARLES V.M. ISZARD

cc: R. Lawlor
N. Kuruc

51847
3480

** TOTAL PAGE.01 **